Omnibus Appropriations Bill
Conference Report
H.R. 3194 (House Rept. 106-479)

Conference Highlights:

The conference report to H.R. 3194 addresses the remaining portion of the FY 2000 budget cycle by providing approximately $154.3 billion in discretionary budget authority for five unsigned appropriations bills -- (1) C/J/S/J, (2) District of Columbia, (3) Foreign Operations, (4) Interior, and (5) Labor/HHS. When mandatory spending (*i.e.*, spending over which the Appropriations Committee has no control) is included, the measure provides approximately $385 billion. General funding levels and legislative provisions are detailed below.

The bill includes spending offsets that are expected to save approximately $8.5 billion. Specifically, it: **(1)** includes a 0.38 percent across-the-board cut in the discretionary accounts of all 13 appropriations bills; **(2)** moves the last military payday for FY 2000 (which falls on a Saturday) to the following Monday, which falls in FY 2001; and **(3)** expedites the transfer of money to the U.S. Treasury from private accounts held by the Federal Reserve.

The measure provides $576 million to assist farmers who have suffered losses in crop production or livestock as a result of natural disasters such as Hurricanes Floyd and Dennis, as well as various other amounts for disaster aid and $100 million to prevent Army readiness shortfalls.

Finally, the bill includes several legislative initiatives to: **(1)** increase payments to Medicare providers by approximately $12 billion over five years; **(2)** authorize funding for two years for the State Department and related programs; **(3)** modify federal dairy policy; **(4)** level the playing field between cable and satellite providers; **(5)** exempt the recycling industry from Superfund liability; and **(6)** reauthorize several Trade Adjustment Assistance programs.

Provisions:

FY 2000 Appropriations Measures

1. Commerce/Justice/State/Judiciary Appropriations

The measure appropriates $38.4 billion (after scorekeeping adjustments) in FY 2000 budget authority for the departments of Commerce, Justice, and State, the federal judiciary, and 18 related agencies—which includes $4.2 billion from the Violent Crime Reduction Trust Fund and $4.5 billion in emergency spending for the decennial census—an amount $4.6 billion more than FY 1999 and $2.1 billion more than the House-passed bill (the FY 1999 level, however, included nearly $2 billion in emergency spending).

a. Department of Justice and the Federal Judiciary

The conference report provides a total of $18.6 billion for the Justice Department, $439.1 million more than FY 1999 and $507.6 million more than the House-passed bill. The bill focuses on enhancing numerous crime enforcement and reduction initiatives by providing:

-- $287.1 million for juvenile crime and prevention programs, $2.5 million more than last year and $500,000 more than the House bill;

-- $2.8 billion for state and local law enforcement assistance, $93 million less than FY 1999 and $6 million more than the House measure;

-- $3.7 billion for the federal prison system, $369.2 million more than last year and $40 million more than the House-passed bill;

-- $3.1 billion for the Federal Bureau of Investigation (FBI), $130 million more than the FY 1999 level and equal to the House-passed measure;

-- $1.3 billion for the Drug Enforcement Agency (DEA), $70 million more than last year and $2.5 million less than the House measure; and

-- $595 million for the community oriented policing services (COPS) program, $835 million less than last year and $327 million more than the House bill.

In addition, the bill provides $4 billion for the federal court system, mostly for salaries and administrative expenses. This amount is $307.2 million more than FY 1999 and $59 million more than the House-passed bill.

b. Department of Commerce

The conference report funds the Commerce Department and related programs at $8.7 billion, $3.6 billion more than FY 1999 and $642.6 million more than the House-passed bill. This amount includes $4.8 billion for the Census Bureau—$4.5 billion of which is designated as "emergency spending"—to conduct the decennial census. In addition, the measure provides:

-- $2.3 billion for the National Oceanic and Atmospheric Association (NOAA), $175.9 million more than last year and $386.9 million more than the House-passed bill;

-- $639 million for the National Institute Standards and Technology (NIST), $8.2 million less than the FY 1999 level and $202.3 million more than the House measure; and

-- $142.6 million for the advanced technology program (ATP), $60.9 million less than last year (the House bill included no funding for this initiative).

c. Department of State

The conference report appropriates $6.3 billion for the State Department and related agencies, $800.3 million more than last year and $511.1 million more than the House bill. This amount includes:

-- $2.8 billion for diplomatic and consular programs, $1.2 billion more than FY 1999 and $97 million more than the House bill;

-- $351 million in arrearage payments to the United Nations (UN), $124 million less than last year and equal to the House measure (subject to authorizing legislation). As a condition for providing these payments, the measure prohibits foreign organizations that receive population assistance funding from performing abortions or engaging in activities to change the abortion laws of foreign countries. The president may partially waive these provisions to allow up to $15 million to be provided to organizations that may engage in such activities; however, if the president does so, then $12.5 million will be transferred to high impact child survival programs;

-- $421.8 million for the Broadcasting Board of Governors, which oversees international broadcasting activities, including Radio Free Europe/Radio Liberty, Radio Free Asia, and Voice of America. The amount is $112,000 more than the House-passed bill (last year, international broadcasting activities received funding through the U.S. Information Agency, which has been incorporated into the State Department); and

-- $8.3 million for the Asia Foundation, equal to last year's funding level and $250,000 more than the House measure.

d. Related Agencies

The measure funds a variety of other federal agencies, totaling $2.1 billion ($212 million more than last year and $269.8 million more than the House-passed bill). Specific appropriations include:

-- $305 million for the Legal Services Corporation (LSC), $5 million more than last year's level and $55 million more than the House-passed measure;

-- $367.8 million for the Securities and Exchange Commission (SEC), $43.8 million more than both the FY 1999 level and the House bill; and

-- $877 million for the Small Business Administration (SBA), $158 million more than FY 1999 and $142.5 million more than the House measure.

e. Rescissions

The measure includes rescissions from unobligated balances in the following accounts: (1) $35 million from the Drug Enforcement Agency's (DEA) drug diversion control fee account; (2) $1.1 million from the Immigration and Naturalization Service's (INS) immigration emergency fund; (3) $15.5 million from international broadcasting operations; and (4) $13.1 million from the Small

Business Administration's (SBA) business loans program account.

f. Legislative Provisions

The bill prohibits the use of funds for (1) issuing a visa to any alien involved in extrajudicial and political killings in Haiti; (2) any activity supporting the addition or maintenance of any World Heritage Site in the U.S. on the List of World Heritage Sites in Danger; (3) any United Nations peacekeeping mission that involves U.S. Armed Forces under the command or operational control of a foreign national, unless the president certifies that the involvement is in the interest of national security; (4) publishing or issuing any assessment required by the Global Change Research Act unless the supporting research has been subjected to peer review and made available to the public; and (5) implementing the Kyoto Protocol on Climate Change prior to Senate ratification of the treaty.

Finally, the bill prohibits a user fee from being charged for Brady background checks for potential gun purchasers, as well as prohibits the implementation of a background check system that does not require destroying information on records of individuals whose backgrounds are revealed to be clean.

2. District of Columbia Appropriations

The measure appropriates $435.8 million to fund the operation of the Nation's Capital, the District of Columbia (D.C.) correctional activities, and D.C. courts. This amount is $42.1 million more than the president's request and $247.8 million less than the FY 1999 level (included in the FY 1999 appropriations bill was $64 million in emergency funding for Y2K conversion). Of this amount, the bill provides (1) $176 million for Corrections Trustee operations ($7 million less than the House-passed of H.R. 2587); (2) $99.7 million for operating city courts ($1 million less than H.R. 2587); and (3) $17 million for the D.C. Resident Tuition Support program (equal to level in H.R. 2587). Finally, the measure approves the $6.8 billion District budget, which is $7.4 million less than H.R. 2587 and $11.7 million less than the FY 1999 level. The District budget funds all aspects of the city's operation including public education and safety, human support services, and enterprise funds. Funding for the District includes $1.4 billion for a six-year capital outlay program.

The measure also:

-- caps city council members' salaries at $84,635;

-- prohibits the use of District or federal funds for needle exchange programs but does not prohibit payments to entities that use private funding to carry out such programs. The House-passed version of the bill prohibited the use of District or federal funds for a needle exchange program or for payments to individuals or entities that carry out a needle exchange program;

-- provides $6.7 million for environmental clean-up costs on land occupied by the Lorton Correctional Complex;

-- caps the hourly rate of compensation at $50 for attorneys who represent a party in litigation brought against the District of Columbia Public Schools under the Individuals with Disabilities Education Act, unless attorneys enter into a memo of understanding with the mayor, Control Board, and Superintendent of the D.C. public schools;

-- allows the D.C. Corporation Council to review and comment on legal briefs related to lawsuits for District voting representation;

-- allows charter schools access to funds for building and repairing elementary and secondary schools, and allows preference for siblings of charter schools in the admissions process;

-- prohibits any funding from being used to legalize or reduce penalties for possessing, using, or distributing any Schedule 1 substance under the Controlled Substance Act or any tetrahydrocannabinol derivative (*e.g.*, marijuana);

-- provides $5 million to create incentives to adopt children in the District's foster care system ($3.5 million less than H.R. 2587);

-- provides $33.3 million for a new appropriation account for attorney programs for indigent defendants, child abuse cases, and guardianship cases administered by District courts;

-- provides $150 million for a budget reserve, as required by the FY 1999 D.C. Appropriations Act (P.L. 105-277), to prevent the District from running a budget deficit. The bill also requires the District to maintain a budget surplus of not less than four percent and allows any budget surplus in excess of four percent to be used for debt reduction and non-recurring expenses;

-- continues to prohibit the use of any federal or District-raised funding to provide abortions, except in the case of rape, incest, or danger to the mother's life;

-- retains current law to prohibit any federal or District funds to implement programs that extend the same rights designated for married couples to cohabiting unmarried couples—such as domestic partners;

-- requires the District to terminate leases on property that the D.C. government does not occupy. The bill also requires the mayor and city council to certify that other District owned/leased property is not available before the District can enter into a lease; and

-- ratifies the Tax Parity Act passed by the D.C. City Council. This local measure provides $59 million in tax relief for D.C. residents.

3. Foreign Operations Appropriations

The measure appropriates $15.4 billion in budget authority in FY 2000 for foreign assistance and export-financing programs (including $1.8 billion in emergency spending for implementing the

Wye River Accord). This amount is $18 billion less than the FY 1999 level (which included $17.9 billion for a one-time additional International Monetary Fund contribution) and $2.7 billion more than the House-passed bill. Of the total amount appropriated, the measure provides $799 million for export assistance (the same as the House-passed bill), $8.5 billion for bilateral economic assistance ($1.1 billion more than the House-passed bill), $5 billion for military assistance ($1.4 billion more than the House-passed bill), and $1.3 billion for multilateral economic assistance ($229.3 million more than the House-passed bill).
To offset the effect of new outlays on federal spending in FY 2000, the amendment changes the way Israel receives the $1.92 billion in military assistance contained in the bill, eliminating the "early disbursal" of funds. In previous years, Israel received all of its military assistance funding within 30 days of enactment.

Major funding initiatives in the conference report include:

-- $2.7 billion for the Agency for International Development ($100.6 million more than the House-passed bill and $764.7 million less than the FY 1999 level);

-- $3.4 billion for foreign military financing ($50 million less than the House-passed bill and $70 million more than the FY 1999 level);

-- $153 million for voluntary peacekeeping operations ($76.5 million more than both the House-passed bill and the FY 1999 level);

-- $2.3 billion for the Economic Support Fund ($118.5 million more than the House-passed bill and $16.5 million less than the FY 1999 level);

-- $535 million for Eastern Europe and the Baltic States, including $150 million for Kosovo ($142 million more than the House-passed bill and $105 million more than FY 1999);

-- $839 million for the former states of the Soviet Union ($114 million more than the House-passed bill and $38 million more than the FY 1999 level);

-- $715 million for child survival and disease elimination ($30 million more than the House-passed bill and $65 million more than last year);

-- $305 million for international narcotics control activities ($20 million more than the House-passed bill and $44 million more than the FY 1999 level);

-- $202.9 million for international disaster assistance ($2 million more than the House-passed bill and $2.9 million more than FY 1999);

-- $775 million for the International Development Association ($206.4 million more than the House-passed bill and $25 million less than the FY 1999 level);

-- $128 million for the African Development Fund ($20 million more than the House-passed bill and the same as the FY 1999 level)

-- $16 million for the Inter-American Investment Corporation (this corporation was not funded in either the House-passed bill or in FY 1999);

-- $216.6 million for nonproliferation, anti-terrorism, and demining activities ($35 million more than the House-passed bill and $18.6 million more than last year);

-- $183 million for voluntary contributions to international organizations and programs ($16 million more than the House-passed bill and $4 million less than the 1999 level);

-- $35.8 million for the Global Environment Facility (GEF), $107.5 million below the president's request and $131.7 million below FY 1999 level;

-- $4.1 million for the African Development Bank (this was not funded in the House-passed bill or last year); and

-- $245 million for the Peace Corps ($5 million more than both the House-passed bill and the FY 1999 level).

Wye River Funding. The bill fully funds the president's request for additional spending to implement the Wye River Accord. Specifically, it provides a total of $1.83 billion for this purpose, including (1) $400 million from the Economic Support Fund (ESF) for the West Bank and Gaza; (2) $1.2 billion in military support for Israel; (3) $200 million for Jordan, including $50 million in economic support and $150 million in military support; and (4) $25 million in military support for Egypt. All of this funding is designated as emergency spending.

Family Planning and Population Funding. The bill caps funding for bilateral family planning assistance at $385 million. The bill also provides $25 million for U.S. contributions to the United Nations Population Fund (UNFPA), but reduces that amount on a dollar-by-dollar basis for any amounts UNFPA spends on activities in China. Finally, the bill prohibits family planning organizations from using funding provided in the bill to establish goals, quotas, or targets for certain family planning procedures (*e.g.*., sterilization, vasectomies, etc.).
As a condition for providing arrearage payments to the UN (which are funded in the CJSJ portion of the bill), the measure prohibits foreign organizations that receive population assistance funding from performing abortions or engaging in activities to change the abortion laws of foreign countries. The president may partially waive these provisions to allow up to $15 million to be provided to organizations that may engage in such activities; however, if the president exercises this waiver, then $12.5 million will be transferred from population assistance funding to high impact child survival programs.

Major Legislative Initiatives.

-- authorizes $35 million for the Korean Peninsula Economic Development Organization (KEDO), $20 million less than the president's request and equal to the FY 1999 level. It also prohibits funding for the organization if North Korea breaks its agreement on freezing nuclear weapons development and activities;

-- prohibits the use of funds for proposing or issuing rules or orders for the purpose of implementing or preparing for the Kyoto Protocol;

-- provides $10 million for the U.S. Community Adjustment and Investment Program, the same as last year and $7 million less than the president's request;

-- prohibits funds in the bill for large scale infrastructure projects in Kosovo;

-- prohibits funding from being used for Kosovo until the Secretary of State certifies that U.S. contributions total no more than 15 percent of all donor assistance to the area;

-- withholds 50 percent of assistance provided for the government of Russia unless it ends nuclear and ballistic missile cooperation with Iran;

-- renews for one-year the partial waiver of section 907 of the Freedom Support Act (*P.L. 102-511*), which bans all U.S. assistance to Azerbaijan; and

-- prohibits funding appropriated in the bill for U.S. activities of the United Nations Man and the Biosphere program and the World Heritage Fund.

4. Interior Appropriation

The measure appropriates $14.9 billion in new FY 2000 budget authority, $993.8 million more than the House-passed bill, $630.6 million more than the FY 1999 level (although this amount included $276.7 million in emergency supplemental funding), and $337.7 million less than the president's request. Approximately half of the bill's funding, $7.4 billion, finances Interior Department programs to manage and study the nation's animal, plant, and mineral resources. The balance of the measure's funds support other, non-Interior agencies that perform related functions. These include the Forest Service, conservation and fossil energy programs run by the Energy Department, the Indian Health Service, and the Smithsonian Institution and similar cultural organizations.

Specifically, the conference report provides:

-- $1.8 billion for the National Park Service (NPS), $46.1 million more than last year and $55 million more than the House-passed bill. This amount includes $1.4 billion for national park operations, $79.5 million more than last year and $22.2 million less than the House measure;

-- $878.1 million for the Fish and Wildlife Service, $38.3 million more than last year and $37.9 million more than the House-passed bill;

-- $2.4 billion for the Indian Health Service, $155.3 million more than in FY 1999 and $338,000 less than the House-passed bill;

-- $1.9 billion for the Bureau of Indian Affairs, $126.2 million more than last year and $84.6 million more than the House-passed bill;

-- $2.8 billion for the Forest Service, $73.8 million more than last year and $227.4 million more than the House-passed bill;

-- $1.2 billion for the Department of Energy, $124.9 million less than FY 1999 and $229.2 million more than the House-passed bill; and

-- $238.1 million for the National Foundation on the Arts and the Humanities, $6 million more than last year and $5 million more than the House-passed bill. This includes $98 million for the National Endowment for the Arts, equal to both last year's level and the House-passed measure, and $115.7 million for the National Endowment for the Humanities, $5 million more than both last year and the House measure.

Lands Legacy Initiative. The president requested funds in his FY 2000 budget for the Lands Legacy Initiative, a new federal program to address resource protection. The administration requested $847 million for Interior-related programs for this initiative, with $579 million for the Land and Water Conservation Fund (LWCF). The program's goals are to (1) increase federal land acquisition; (2) provide grants to states and localities to acquire land; (3) expand protection efforts for farm, forest, and rangeland, and resource restoration; (4) fund growth partnerships; and (5) expand funding for ocean and coastal protection. The bill allocates roughly $400 million for land acquisition ($266 million for the four land management agencies under the Land and Conservation Fund, $23 million for the Cooperative Endangered Species Fund, and $197.5 million for new high priority land acquisitions) but does not create a mandatory entitlement program for the Lands Legacy Initiative. The president requested that $80 million of the $847 million total he requested in his budget for the Lands Legacy Initiative be earmarked for the Cooperative Endangered Species Fund, $200 million for the stateside acquisition fund, and $90 million for programs within the Forest Service.

Grazing. The bill requires the Interior Secretary to renew current grazing permits on the same terms and conditions until the Interior Department completes processing the grazing permit backlog. The House-passed bill extended grazing permits scheduled to expire during FY 2000 for the remainder of that year pending the permit renewal process.

Mining Waste. The measure allows the Interior Department to proceed with new mining waste regulations, but grandfathers certain existing mines. Specifically, the bill exempts all mines with approved plans of operation, all remaining applicants that were part of the 1995 hard rock mining moratorium, and applicants whose plans of operation were submitted before the Solicitor General's 1997 ruling that each mining claim can use no more than five acres for activities associated with millsites. Opponents of the solicitor general's opinion have argued that it is a selective interpretation and retroactive application of the mining law.

Recreational Fee Demonstration Program. The bill continues the recreational fee demonstration program, which allows public land agencies to keep funds locally to use to reduce the trail and facility maintenance backlog.

Oil and Gas Royalties. The bill ends a ban on charging oil companies higher royalties for drilling on public lands on March 15, 2000. The administration contends that the U.S. is being underpaid by approximately $60 million annually. Under a ruling by the Minerals Management Service (MMS) effective March 15, oil valuation will rely less on posted prices and more on an index price to better reflect fair market value.

Hard Rock Mining Regulations. The measure allows the Interior Department to propose new hard rock mining industry regulations concerning surface management, so long as the regulations are not inconsistent with the recommendations found in the National Research Council Report.

United Mine Workers of America Fund. The bill appropriates $68 million for a new fund to provide health care to more than 60,000 retired mine workers.

5. Labor, Health & Human Services, and Education Appropriations

The conference report appropriates $86.1 billion in discretionary budget authority (after scorekeeping adjustments)—$2.5 billion more than last year and $9.1 billion more than the House bill—for the Departments of Labor, Health and Human Services (HHS), Education, and a wide range of related agencies. Including mandatory spending (the amount over which the Appropriations Committee does not have jurisdiction) the bill provides $315.2 billion (after scorekeeping adjustments), $22.5 billion more than last year and $11.5 billion more than the House-reported measure.

a. Department of Labor

For the Department of Labor (DOL), the bill appropriates a total of $13.1 billion for a number of employment-related programs, including unemployment insurance, worker safety, and job training. This amount is $393.1 million more than the FY 1999 level and $1.3 billion more than the House measure. Specific appropriations for the Labor Department include:

-- $5.4 billion to carry out provisions of the Job Training Partnership Act—$247.7 million more than the FY 1999 level and $831.6 million more than the House measure—which includes $1.4 billion for the Job Corps, $950 million for adult job training, and $1.6 billion for dislocated worker assistance;

-- $382 million for the Occupational Safety and Health Administration (OSHA; $27.6 million more than last year and $44.6 million more than the House bill);

-- $413.4 million ($14.6 million more than last year and $18.7 million more than the House bill) for the Bureau of Labor Statistics; and

-- $1 billion for the Black Lung Disability Trust Fund ($7.4 million less than in FY 1999 and $367,000 more than the House measure).

b. Department of Health & Human Services

The largest amount appropriated in this portion of the bill funds programs of the Department of Health and Human Services (HHS). The bill provides about $239.2 billion for HHS, nearly 85 percent of which supports mandatory entitlement programs such as Medicare, Medicaid, and family support services. This amount is $24.1 billion more than in FY 1999 and $6.5 billion more than the House-reported measure. Other HHS funding supports the nation's primary health and welfare discretionary initiatives, including programs such as:

-- low income home energy assistance program (LIHEAP), which receives $1.4 billion (the same as both last year and the House measure);

-- family support payments to states, funded at $3.3 billion ($243.2 million more than last year and $2.5 billion more than the House-reported bill);

-- National Institutes of Health (NIH), which receives $17.9 billion ($2.3 billion more than in FY 1999 and $978.2 million more than the House-reported measure);

-- Centers for Disease Control and Prevention (CDC), which receives $3 billion ($190.5 million more than last year and $289.3 million more than the House measure); and

-- Health Resources and Services Administration, which receives $4.7 billion ($367.5 million more than in FY 1999 and $379.8 million more than the House bill). This account includes $1.6 billion for Ryan White AIDS programs.

c. Department of Education

For the Department of Education the measure provides a total of $38 billion for FY 2000, $2.4 billion more than both last year and the House-reported bill. Specific appropriations include:

-- $6 billion for special education programs ($912 million more than last year and $203.5 million more than the House measure);

-- $7.7 billion for the Pell grant program ($4 million less than in FY 1999 and $80 million more than the House-reported bill);

-- $8.7 billion for education for the disadvantaged ($274.1 million more than last year and $283.1 million more than the House measure);

-- $910.5 million for Impact Aid ($46.5 million more than in FY 1999 and $3.3 million more than the House bill);

-- $406 million for bilingual and immigrant education ($26 million more than both last year and the House bill); and

-- $491 million for programs authorized by Title III of the Goals 2000: Educate America Act, equal to last year's funding level (the House-reported bill included no funding). The Goals

2000 programs are due to expire at the end of FY 2000; and

-- $55 million, $70 million less than last year, for school-to-work opportunities funding (the House-reported measure provided no funding for this account).

Class-Size Reduction. Finally, the bill provides $1.3 billion for the president's class size reduction initiative. The bill also includes a number of provisions to give local educational agencies (LEAs) and schools a measure of flexibility in how the money is spent. Specifically, the bill allows LEAs that have already reduced class size in grades K-3 to use the funds for further reducing class size or for teacher training.

d. Related Agencies

The conference report appropriates a total of $37.9 billion for related agencies, including the Social Security Administration, the Corporation for Public Broadcasting (CPB) and the National Labor Relations Board (NLRB). This amount is $170.1 million more than FY 1999 levels and $212.6 million more than the House-reported measure. Specific appropriations include:

-- $36.4 billion for the Social Security Administration, $181.9 million more than last year and $127 million more than the House bill;

-- $360 million—$43 million less than FY 1999 and $10 million more than the House measure—for the Corporation for Public Broadcasting; and

-- $164 million for the dual benefits payments account of the Railroad Retirement Board, $14 million less than in FY 1999 and $1 million less than the House-reported bill.

e. Legislative Provisions

The measure includes a number of significant legislative provisions, which include the following:

Family Planning Clinics. The bill requires family planning clinics to comply with state laws requiring notification of sexual abuse, rape, incest, or other crimes.

Needle Exchange Programs (NEPs). The bill prohibits the use of federal funds from being used to finance NEPs.

Human Embryo Research. The measure prohibits the use of funds to create human embryos for research purposes, excepting research on fetuses that is allowed under current law.

Abortion. The bill prohibits all funds appropriated in the bill from being used to pay for an abortion, except in cases of rape, incest, or if the life of the mother is in danger. Additionally, the bill stipulates that Medicare+Choice plans are not required to provide abortion services.

Organ Transplantation. The measure establishes a 21-day public comment period, followed by a 21-day HHS review period, on HHS regulations that change the allocation methodology for human organs. These new guidelines were developed because of concerns that the organ allocation process has been dominated by certain regions in the country.

6. Supplemental Appropriations

The measure provides $576 million to assist farmers who have suffered losses in crop production or livestock as a result of natural disasters such as Hurricanes Floyd and Dennis. Specifically, the bill provides $198.6 million for agriculture loss assistance caused by recent natural disasters, including (1) $186 million for crops; (2) $10 million for livestock; and (3) $2.8 million for specialty crops. The bill provides $50 million to the Emergency Conservation Program to rehabilitate farmland and ranchland damaged by natural disasters. The measure also includes $20 million for the Noninsured Crop Disaster Assistance Program. The bill allocates $178.6 million for the Farm Service Agency's Agricultural Credit programs to support $2.5 billion in emergency loans to farmers and ranchers.

The bill provides $80 million for the Emergency Watershed Protection Program to reduce hazards to life and property in watersheds damaged by disasters. In addition, the measure allocates $11.1 million for Rural Housing Service programs, including (1) $4.3 million for single family housing (section 502) to support $50 million in loans; (2) $4.6 million for housing repair (section 504) to provide a loan level of $15 million; and (3) $2.3 million for farm labor housing (section 514) for a $5 million loan level. Finally, the bill provides $14.5 million for rural housing service grants, including $10 million for housing repair grants and $4.5 million for farm labor housing grants.

Army Readiness Enhancements. The measure includes $100 million for the Department of the Army to address existing readiness shortfalls. These funds may be used to initiate the testing and validation of the new Army Vision concept. Conferees stipulate that no funding may be obligated until 30 days after the Chief of Staff of the Army reports to the congressional defense committees a specific plan to utilize these funds and, if the funds are designated for the Army Vision concept, the relationship between these expenditures and the FY 2001 Army request for continuing these activities.

Other Provisions. The bill also (1) revises the schedule for competitive bidding of spectrum auction licenses for certain companies; (2) requires the Office of the Secretary of Defense and the U.S. Pacific Command to submit a study to Congress regarding implementation of the Taiwan Relations Act as well as the gaps in relevant knowledge about the People's Republic of China's intentions and capabilities as they might affect the current and future military balance between Taiwan and the PRC; (3) requires the Defense and VA Secretaries to submit a joint report to Congress assessing the adequacy of medical research activities investigating the health effects of low-level chemical exposures of Persian Gulf veterans; and (4) continues crop insurance pilot projects.

7. Spending Offsets

Across-the-Board Cuts. The measure includes a 0.38 percent across-the-board cut in the discretionary accounts of all 13 appropriations bills, for savings of $1.3 billion in outlays. Of the 0.38 percent cut, federal agencies may cut only up to 15 percent from any individual account. This reduction does not apply to military personnel expenses. In addition, this reduction for the Department of Defense and Department of Energy Defense Activities must be applied proportionately to all Defense accounts. The bill does not specify which accounts must be cut, but allows federal agencies the discretion to determine the spending reductions.

Military Pay. The bill moves the last military payday for FY 2000 (which falls on a Saturday) to the following Monday, which falls in FY 2001. This provision is expected to generate $3.5 billion in savings.

Reserve Fund. The bill expedites the transfer of money to the U.S. Treasury from private accounts held by the Federal Reserve. This provision is expected to generate approximately $3.7 billion in revenues.

Legislative Provisions

1. Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act

The measure includes an agreement between the House, Senate, and the White House to increase payments to Medicare providers by approximately $12 billion over five years. On November 5, the House passed its version of the bill (H.R. 3075) by a vote of 388-25 (For more information on H.R. 3075 as it was considered in the House, see *Legislative Digest*, #32, Pt. III, November 4, 1999). The measure is designed to provide targeted relief to mitigate lawmaker and health care provider concerns that reforms made in the 1997 Balanced Budget Act (*P.L. 105-33*) may adversely affect access to health care services for Medicare beneficiaries.
Specifically, the measure:

-- provides hospitals with greater flexibility to participate in Medicare as critical access or sole community hospitals and includes a number of provisions designed to strengthen and increase flexibility for critical access hospitals;

-- offers Medicare beneficiaries more flexibility through Medicare+Choice (M+C) by (1) authorizing incentives for health care providers to enter counties that do not currently offer managed care plans; (2) allowing M+C beneficiaries an open enrollment period if they learn their plan is ending its contract; (3) slowing the implementation of M+C payment rates to more accurately reflect differences in per enrollee costs; and (4) allowing beneficiaries more time to enroll in M+C or Medigap plans when health plans withdraw from their market;

-- eases the financial burden on hospitals that care for a disproportionate share of low-income individuals;

-- includes measures designed to ease the transition for outpatient hospitals switching to the new payment system;

-- permits the HHS Secretary to provide hospitals with additional payments to cover certain high cost cases (*i.e.*, outlier adjustments), as well as transitional pass-through payments (for orphan and cancer therapy drugs and new medical devices);

-- includes a number of measures designed to ensure the availability of home health care services;

-- increases payments for medically complex skilled nursing facility patients;

-- increases access to prostheses, cancer fighting drugs, and ambulance services;

-- freezes the Indirect Medical Education adjustment for one year and adopts a more equitable structure for direct Graduate Medical Education payments to teaching hospitals nationwide;

-- adjusts the payment system for existing long-term and psychiatric hospitals through increased improvement and bonus payments through FY 2002;

-- increases payments to hospice facilities that care for terminally-ill patients;

-- increases Medicare's payment rate for the clinical laboratory component of pap smear tests;

-- extends Medicare's coverage of immuno-suppressive drugs to help improve kidney and other organ transplant survival rates;

-- clarifies that language included in the 1997 Balanced Budget Act was not intended to cut payments to hospital outpatient departments. Lawmakers contend that this language was a drafting error and the administration states that they need a legislative clarification in order to prevent a 5.7 percent cut in these payments;

-- modifies the way doctors are paid for treating patients to improve the accuracy of physician payment updates and limit future fluctuations in the update factor;

-- makes a number of changes to the Medicaid program, including (1) increasing DSH payments for several states and the District of Columbia; (2) authorizing states to create a new payment system for community health centers and rural clinics that recognize the cost of providing health coverage in rural and underserved areas and the high volume of uninsured patients served by these health centers; (3) extends the availability beyond FY 2000 to a $500 million fund to assist in Medicaid transitional costs resulting from welfare reform; (4) provides parity in reimbursement for certain utilization and quality control services to increase competition for contracts among entities that perform these services; and (5) clarifies that Medicaid DSH payments are matched at the federal matching percentage; and

-- makes a number of changes to the State Children's Health Insurance Program (SCHIP) program, (1) modifying the SCHIP allotment formula to provide states with a more stable financing system; (2) provides additional allotments to U.S. commonwealths and territories for FYs 2000-2007 under the SCHIP program; and (3) establishes procedures to improve data collection and evaluations of the program.

2. State Department Authorization

The measure authorizes funding for the domestic and overseas activities of the State Department for FYs 2000 and 2001. It also authorizes funding over the next five years for projects to improve U.S. embassy security. Specifically, it authorizes funding for (1) the diplomatic and international activities of the State Department, (2) educational and cultural exchange programs, (3) assessed contributions to the United Nations for peacekeeping efforts, and (4) contributions to other international treaty organizations.

Administration of Foreign Affairs. The bill authorizes the following amounts for foreign affairs administration:

-- $2.8 billion for FY 2000 and $3.3 billion for FY 2001 for diplomatic and consular programs (the bill specifically earmarks amounts for the Bureau of Democracy and Human Rights, the recruitment of minority groups, and the recurring costs of worldwide security upgrades);

-- $90 million for FY 2000 and $150 million for FY 2001 for the capital investment fund;

-- $434.1 million for FY 2000 and $445 million for FY 2001 for embassy security, construction, and maintenance;

-- $5.9 million for each fiscal year for representation allowances;

-- $17 million for each fiscal year for diplomatic and consular services emergencies;

-- $30.1 million annually for the office of the Inspector General;

-- $15.8 million for FY 2000 and $15.9 million for FY 2001 for the American Institute in Taiwan;

-- $9.5 million annually for security for foreign ministers and officials; and

-- $1.2 million for each fiscal year for the repatriation loans program account.

International Commissions. The bill authorizes $52 million annually for international commissions, supported through the State Department, that fulfill U.S. treaty obligations involving Canada, Mexico, and other countries regarding international boundaries and fisheries.

Migration and Refugee Assistance. The bill authorizes $750 million for each fiscal year for migration and refugee assistance.

United States Informational, Educational, and Cultural Programs. The bill authorizes $112 million for FY 2000 and $120 million for FY 2001 for Fulbright Exchanges, and $98.3 million for FY 2000 and $105 million for FY 2001 for other educational and cultural programs.

Asia Foundation. The bill authorizes $15 million for each fiscal year for the Asia Foundation.

Contributions to International Agreements. The bill authorizes $940 million for FY 2000 and such sums as necessary for FY 2001 for contributions to international organizations. Specifically, the measure makes available $80 million annually on the condition that the Secretary of State certifies to Congress that the United Nations offsets any of its budget increases. It also withholds 20 percent of funds made available to the UN until the Secretary of State certifies that the Office of Internal Oversight Services continues to function as an independent inspector general. It also prohibits funding for UN global conferences, except those conferences that were approved before October 1, 1999. Finally, the bill prohibits U.S. contributions to the UN regular budget from being used to fund the operating cost of organizations that have been established through a framework agreement.

Contributions to International Peacekeeping Activities. The measure authorizes $500 million for FY 2000 and such sums as necessary for FY 2001 for assessed contributions to international peacekeeping activities under UN auspices.

Voluntary Contributions to International Organizations. The bill authorizes $293 million for FY 2000 and such sums as necessary for FY 2001 for voluntary contributions to international organizations. Although the bill does not provide a specific earmark for UNICEF, it recommends that a grant should be made to the organization for at least $110 million.

United States International Broadcasting Activities. The measure authorizes $385.9 million for FY 2000 and $393.6 million for FY 2001 for international broadcasting activities. Specifically, the bill earmarks (1) $20.9 million each fiscal year for broadcasting capital improvements; (2) $22.7 million annually for broadcasting to Cuba; and (3) $24 million for FY 2000 and $30 million for FY 2001 for Radio Free Asia.

Embassy Security and Counterterrorism Measures

The bill authorizes $900 million annually for five years for embassy security, construction, and maintenance. It also allows any amounts authorized for a particular fiscal year, but not fully appropriated, to be carried forward and remain available in subsequent fiscal years until such amounts are appropriated.

The bill establishes a series of security requirements based on the Accountability Review Board's recommendations, including (1) requiring the emergency action plans of each U.S. mission to address the threat of large explosion attack vehicles and the safety of employees during such an attack; (2) requiring the State Department Security Environment Threat List to contain a section that addresses potential acts of international terrorism against the U.S. diplomatic facilities based on the threat of terrorism brought on by a transition in governments; and (3) other security enhancements and requirements.

Authorization and Guidelines for the United Nations

The bill authorizes $244 million for FY 2000, in addition to $100 million for FY 1998 and $475 million for FY 1999 that are already appropriated, to repay UN dues. This provision allows the U.S. to repay $926 million in UN dues.

In addition, the bill (1) permits the president to forgive $107 million of UN debt owed to the U.S. if the UN reduces the amount of U.S. debt by the same amount; (2) requires the Secretary of State to certify that the Constitution controls U.S. law and that no action by the UN can cause the U.S. to violate it; (3) requires the Secretary of State to certify that the UN is not taxing the American people; (4) requires the secretary to certify that the UN is not creating a standing army; (5) certifies that neither the UN nor its agencies have exercised any control or authority over public or private property of the US; and (6) requires the Secretary of State to certify that the UN has not engaged in external borrowing and that the U.S. has not paid any interest for loans incurred through external borrowing by the organization. The bill requires that the Secretary of State to complete the certifications listed above (along with others that are contained in the bill) before the UN is paid authorized dues in FY 2000.

The bill also (1) requires that no more than 25 percent of the UN's total peacekeeping budget for each individual operation is paid by a single member country; (2) prohibits any one member of the UN from paying more than 22 percent of the total budget assessment of the UN and more than 20 percent of the total budget for the UN and its related agencies; and (3) prohibits any member from paying more than 22 percent for the total budget for the International Labor Organization, the Food and Agricultural Organization, and the World Health Organization.

3. Intellectual Property and Communications Omnibus Reform Act

The measure includes provisions similar to the conference report to H.R. 1554. Specifically, it allows satellite television companies to carry the same local-broadcast network affiliates (*i.e.*, ABC, CBS, FOX, and NBC) that are routinely provided by their cable rivals—often called local-into-local service. The 1988 Satellite Home Viewer Act (SHVA; *P.L. 100-667*) currently permits satellite retransmission of distant network television programming only if a subscriber meets certain conditions. Thus, for the first time, satellite companies will be permitted to carry the signals of local network stations to customers within that market.

The measure allows satellite companies to carry local stations in isolated areas *and* in cities, where they can compete with local broadcasters and cable television. Satellite companies will have the legal authority to offer customers local broadcast signals from network affiliates in addition to other channels. The conference report prohibits satellite companies from being charged a copyright fee for local channel compulsory licenses. Secondly, the conference report allows customers who do not receive local broadcast signals to request and receive satellite television waivers quickly.

The bill applies the same rules that govern the cable TV industry regarding network non-duplication, syndicated exclusivity, and sports blackouts to the satellite industry. In addition, the conference report mandates that until January 1, 2006, TV broadcast stations that provide retransmission consent may not engage in discriminatory practices that prevent multi-channel video programming distributors from also obtaining retransmission consent from such stations.

The main goal of this provision is to level the competitive playing field between cable vs. satellite providers.

The measure requires satellite companies to carry all local stations in all markets they choose to serve by January 1, 2002—the so-called "must carry" requirement. The bill also allows those subscribers who currently receive distant network signals and may be shut off at the end of the year to keep those signals. Finally, it allows C-band customers to keep their service as well.

The measure establishes a more accurate and fair process to determine which people living in rural areas are eligible to receive distant network signals. Specifically, it requires that broadcasters and satellite companies split the cost of testing homes to see whether consumers are eligible to receive signals from distant network affiliates. The bill requires the FCC to study whether it needs to update its signal standard for satellite service to more accurately determine who should be eligible for distant network signals. The measure also lowers the signal fees that satellite providers pay for distant and network. In addition, the measure:

-- amends the 1934 Securities Exchange Act to direct the Federal Communications Commission (FCC) to prescribe regulations to establish a Class A license for qualifying low power television (LPTV) stations;

-- prevents public TV stations from buying, selling, or trading lists of donors from political parties;

-- gives DBS companies six months to negotiate retransmission contracts with local stations;

--amends the 1946 Trademark Act to hold individuals liable in a civil action for "cybersquatting"—using trademark or service marks on the Internet in bad faith. These provisions are similar to those included in H.R. 3028, which passed the House by voice vote on October 26, 1999; and

-- includes a series of initiatives intended to protect the rights of inventors, enhance patent protections, and reduce patent litigation. The House passed a similar measure (H.R. 1907) by a vote of 376-43 on August 4, 1999.

The House passed the conference report to H.R. 1554 by a vote of 411-8 on November 9. However, lawmakers subsequently requested that certain changes be made to the bill. Therefore, the measure removes two provisions that were included in the conference report. Specifically, it (1) removes language included in the conference report that provided a $1.25 billion Agriculture Department loan guarantee to help support the launch of satellite systems to provide local programming to rural and underserved markets; and (2) removes language in the conference report that prohibited Internet companies from receiving compulsory licenses.

4. Dairy Provisions

The bill requires the Agriculture Secretary to implement the "Option 1-A" location-based differentials for class I (fluid) milk when implementing the final rule to consolidate federal milk marketing orders. Option 1-A reflects the status-quo pricing structure in which milk marketing orders require milk processors to pay a certain minimum price for farm milk based on how the milk is used. Since the Great Depression, the federal government has administered a system to sustain the price of milk above market level.

The bill requires the Agriculture Secretary to implement a price-forward contracting program for milk used for manufactured dairy products (*i.e.,* all products except fluid milk) in federally regulated milk orders to allow producers and cooperatives to voluntarily contract with handlers. The bill also requires the Agriculture Secretary to enter into formal rule making procedures to evaluate and revise the pricing formulas for class III (cheese) and class IV (powder) adopted as part of USDA's final rule. This rulemaking would be required to be completed by January 1, 2001. USDA's final rule would replace the current basic formula price with a monthly-determined price for class III milk for cheese and a class IV price for butter and dry milk. This price would be the same in all markets. Proponents argue that this rule does not adequately reflect public comment as was required by the 1996 Federal Agriculture Improvement and Reform Act (the 1996 Farm Bill, *P.L. 104-127*).

Three-fourths of the nation's fluid milk is regulated under 31 federal milk marketing orders administered by the U.S. Department of Agriculture (USDA). In July 1997, six New England states entered into the Northeast Interstate Dairy Compact, an agreement enabling dairy farmers in those states to set prices higher than those guaranteed by the federal government. Congressional consent for the compact was due to expire concurrent with the implementation of the final rule for consolidating federal milk market orders. The measure delinks consent for the compacts with market order consolidation in order to extend congressional consent for the Northeastern Interstate Dairy Compact for two years.

5. Other Provisions

Superfund Recycling Equity Act. The measure includes provisions to exempt the recycling industry from Superfund liability. The bill intends to place traditional recyclable materials (*i.e.*, recyclables made from paper, glass, plastic, metals, batteries, textiles, and rubber) that are used as feedstocks in the manufacturing process on an equal footing with their virgin, or primary feedstock, counterparts. The measure also exempts from liability those individuals who collect lead acid, nickel, cadmium, and other batteries for recycling valuable components. Finally, the measure exempts scrap metal producers under certain circumstances.

International Monetary Fund (IMF). The measure directs the U.S. representative to the IMF to support the revaluing of a sufficient amount of gold to generate, at current market prices, 2.2 billion Special Drawing Rights (SDRs) in profits to forgive loans owed by developing countries. SDRs are international reserve assets, created by the IMF in 1970 and allocated to individual member nations, that may be used by a nation with a deficit in its balance of international payments to settle debts with another nation or with the IMF. Roughly 65 percent of funding generated from the revaluation will be available immediately for debt relief, with the other 35 percent available for release after congressional authorization.

Trade Adjustment Assistance. The measure extends three trade adjustment assistance (TAA) programs through September 30, 2001, to provide assistance to individual workers and firms that are adversely affected by import competition. These programs include (1) the general TAA program for workers that provides training and income support for workers adversely affected by import competition; (2) the TAA program for firms that provides technical assistance to qualifying firms; and (3) the North American Free Trade Agreement (NAFTA) Transitional Adjustment Assistance (NAFTA-TAA) program for workers that provides training and income support for workers adversely affected by imports from or production shifts to Canada and/or Mexico. The measure caps training expenses under the NAFTA-TAA program at $30 million.